

Legal Alert

Latest amendments to the Labour Code – no paid leave schedules and new option for flexible working hours

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On 17th July 2015 in 54th issue of the State Gazette a new Law amending the Labour Code was published. The new provisions are already in force (as of the date of their publication in the State Gazette).

1. Changes in the rules on working hours

1.1. A new option for flexible working hours is introduced where the employer determines the hours for mandatory presence beyond which an employee is allowed to arrange his/her working hours during the week with some of the days working less than 8 hours and compensating the total hours by working more than 8 hours on other days. What is important is that the length of the working week does not exceed 40 hours in total and that all requirements for the minimum period of daily and weekly rest are observed.

1.2. Micro and small enterprises will not be allowed to introduce longer working hours and part-time arrangements while reducing the workload. This type of enterprises are exempt from the obligation to adopt Internal rules for the work order. In the absence of a special definition of "micro" enterprise and "small" enterprise in the Labour Code it can be assumed that whether an enterprise falls within the scope of these provisions is assessed based on the criteria in the Law for Small and Medium Enterprises.

No schedules for annual paid leave

2. Changes in the use of paid annual leave

The obligation of the employer to draw up and approve schedules for the use of annual paid leave is abolished. Use of the paid leave will be from now on authorized by the employer in writing on a case by case basis. The employer will still be allowed to provide annual paid leave without the consent of the employee during a stay period of more than five days, as well as where all employees are on leave simultaneously. The employer is also entitled to provide paid leave if the employee, following an invitation by the employer, has not requested its use by the end of the year for which the leave is due.

The limitation to postpone the use of more than 10 working days of annual paid leave for next year is abandoned. However, an obligation of the employer to secure the use of at least half of the paid leave of the employee for the year for which it is due is introduced. In addition, the employer is obligated to secure the use of the deferred days of the paid leave until the middle of next year.

New specific ground for termination of the employment contacts upon acquiring the right to retirement

3. Possibility to terminate the contract of employment when the employee acquires the right to retirement on the grounds of retirement age and working experience

The right of the employer to terminate the contract of employment with one-month notice is reinstated in cases where the employee has acquired the right to retirement on the grounds of retirement age and working experience.

The employer can terminate the employment of professors, associate professors and PhDs at the age of 65 years, unless there is a decision of the academic council that contracts with academic ranked at the position of "Professor" or "Associate Professor" are continued under § 11 from the transitional and final provisions of the Higher Education Act.

The employee will also be entitled to terminate the employment contract as at the time of acquiring the right to retirement and without notice.

One-day contracts for agricultural activities

4. Possibility to enter into one-day employment contacts

The new rules in the Labour Code entitle registered farmers to conclude a contract of employment for a day for short-term seasonal agricultural work, if the profession does not require special qualifications and only to perform certain work in the area of agriculture as specified in the Labour Code. These contracts shall not be registered in the National Revenue Agency but are certified by the Labour Inspectorate.

No mandatory adoption of internal Health and Safety rules.

5. Other changes

- The obligation of the employer to adopt Internal rules to ensure healthy and safe working environment is abolished;
- A new obligation is imposed on the employers to file and keep an employment record on each employee containing information regarding the creation, existence and termination of the employment relations;
- A special mark is introduced which is to be placed by the regulatory authorities in case of termination of the entity's business activity, as well as when terminating the operation of machines or equipment as a coercive measure for violation of safety rules and regulations.